



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

February 9, 2009

Michael Call, Manager II  
Baxter Bioscience  
4501 Colorado Blvd.  
Los Angeles, CA 90039

Dear Mr. Call:

RE: FINAL MONITORING REPORT for BAXTER BIOSCIENCE (ET07-0282)

Date of the Visit:	01/26/09 (on-site) & 2/5/09 (desk review)
Beginning/Ending Time:	9:30 a.m. – 1:30 p.m.
Date of Last Visit:	06/25/08
Visit Location:	Los Angeles
Persons in attendance:	Raul Gutierrez, Senior Department Specialist, Baxter Margarita M. Paccerelli, ETP Contract Analyst
Action Required:	No

## CONTRACT INFORMATION:

<b>Term of Agreement:</b>	02/06/07 – 02/05/09	<b>Agreement Amount:</b>	\$138,030
<b>Training Start Date:</b>	02/06/07	<b>No. to Retain:</b>	61
<b>Date Training must be Completed:</b>	11/05/08	<b>Range of Hours:</b>	24 - 200
<b>Type of Trainee:</b>	Retrainee	<b>Weighted Ave. Hours:</b>	117 - 200

## FINAL REPORT SUMMARY

### • HISTORY OF AGREEMENT CHANGES

The Agreement was executed on February 28, 2007 and training began on February 6, 2007. Mr. Gutierrez reported that all training was completed on November 4, 2008, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – February 5, 2009.

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- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 200 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

It should also be noted that a substantial contribution of 30 percent has been applied to this Agreement, because the Los Angeles facility has benefited from Panel funding under two prior Panel Agreements in excess of \$250,000 within the last five years.

Based on the data obtained from the ETP Online Tracking System, there were 81 trainees who met the minimum class/lab training hours and projected earnings will be \$93,326.67 (68%) based on the following calculation:

TYPE OF TRAINING	JOB 1	JOB 2	Fixed Fee Rate	TOTAL REIMBURSEABLE AMOUNT
Advanced Technology	828.90	47.45	\$26	\$22,785.10
Manufacturing Skills	6105.78	35.26	\$18	\$110,538.72
SubTotal				\$133,323.82
Substantial Contribution (30%)				(\$39,997.15)
Projected ETP Reimbursement				<b>\$93,326.67</b>

Mr. Gutierrez was provided technical assistance on how to do the final contract closeout. He was advised that all active trainees must either be dropped or invoiced for final payment at this time. By the terms of the agreement the final contract closeout should be completed within 30 days of the end term date of the Agreement. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on March 5, 2009.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

According to Mr. Gutierrez, several factors affected the progress of the training. For one, he stated that he was temporarily re-assigned to a different shift and supervisory role from June to November 2007. Then in the beginning of 2008, he was on medical leave and didn't return to work until June 2008. Both times, no other person was assigned to oversee the ETP program.

Although your company did not complete 100%, Mr. Gutierrez reported that the employees greatly benefited from the ETP-funded training. Trainees learned the skills needed to implement the new plasma processing. It also provided the trainees the necessary tools to operate and maintain the new plant, such as gowning procedures, cleaning tanks and piping, and chemical transfer systems to name a few.

He also stated that he did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Trainees Started Training:	120	Completed Training:	81
Trainees Enrolled:	120	Completed Retention:	81
Dropped Following Enrollment:	39	In Retention Period:	0
Currently in Training :	0		

The project statistics provided by your staff matches those listed on the ETP Contract Status Report.

**TEMPORARY TO PERMANENT EMPLOYEES**

On December 2007, Mr. Gutierrez requested training of temporary employees (temp) under this Agreement. He stated that it is Baxter's practice to hire new employees as temps, which the company refers to as "temp-to-hire". This allows Baxter to put them through training, evaluate them, and make sure they are able to perform the tasks.

Under the ETP guidelines, temporary workers may be trained so long as they are hired by a single employer under a single-employer contract for purposes of full-time retention and related requirements. ETP approved the request and Mr. Gutierrez was advised that the 90-day retention period cannot start until the trainee becomes a full-time permanent employee of Baxter.

At the final visit, Mr. Gutierrez reported that there were nine temps trained in this Agreement and they are now working as full-time employees.

**TRAINING RECORDS**

Ms. Pacerelli conducted a random sampling of seven trainees who completed training. Records show that these trainees completed between 42 and 149 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes.

**AUDIT**

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

### **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at [mpaccereilli@etp.ca.gov](mailto:mpaccereilli@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

#### **Signature on file**

Dolores Kendrick, Manager  
North Hollywood Regional Office

#### **Signature on file**

Margarita M. Paccereilli, Contract Analyst  
North Hollywood Regional Office

cc: Raul Gutierrez, Baxter Bioscience (via email)  
David Guzman, Chief, ETP Program Operations Division (via email)  
Kulbir Mayall, ETP Fiscal Manager (via email)  
Master File  
Project File

Date report mailed to Contractor 2/11/09